Alan LeBovidge, Commissioner Gerard D. Perry, Acting Deputy Commissioner



Informational Guideline Release

Property Tax Bureau Informational Guideline Release (IGR) No. 04-205 March 2004

SOCIAL SECURITY DEDUCTION FOR FISCAL YEAR 2005

(G.L. Ch. 59 §5 Cl. 41, 41B or 41C)

This Informational Guideline Release (IGR) informs assessors of the social security deduction to be used in determining exemption eligibility in Fiscal Year 2005 under Clauses 41, 41B or 41C.

<u>Topical Index Key</u>: <u>Distribution</u>:

Exemptions Assessors

The Division of Local Services is responsible for oversight of and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management. The Division regularly publishes IGRs (<u>Informational Guideline Releases</u> detailing legal and administrative procedures) and the <u>Bulletin</u> (announcements and useful information) for local officials and others interested in municipal finance.

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SOCIAL SECURITY DEDUCTION FOR FISCAL YEAR 2005

(G.L. Ch. 59 §5 Cl. 41, 41B or 41C)

The Commissioner of Revenue has determined the allowable deduction from federal social security or railroad retirement, and from federal, Massachusetts or Massachusetts political subdivision employee pensions, annuities or retirement plans for the purposes of computing gross receipts under General Laws Chapter 59, Section 5, Clauses 41, 41B or 41C.

The amount to be deducted by the assessors when computing gross receipts for applicants seeking FY2005 exemptions under those clauses has been increased by **2.1**% above the amount allowed for FY2004.

GUIDELINES:

1. The following amounts should be deducted when computing the gross receipts for applicants who received income from Federal social security or railroad retirement, or from government employee pensions, annuities or retirement plans for <u>all</u> of 2003:

Annual Minimum Payments 2003

Worker	\$3,477
Spouse	<u>1,739</u>
-	\$5,216

2. For applicants who received income from those sources for only a <u>part</u> of 2003, the following amount for each month for which the income was received should be deducted, provided that the total amount deducted does not exceed the total amount of such payments received:

Monthly Minimum Payments 2003

Worker	\$291
Spouse	<u>147</u>
-	\$438